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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/804,693	03/19/2004	Richard A. Baker	P1995A	9159
8568 7590 04/04/2008 DRINKER BIDDLE & REATH LLP ATTN: PATENT DOCKET DEPT. 191 N. WACKER DRIVE, SUITE 3700 CHICAGO, IL 60606				
EXAMINER				
RANKINS, WILLIAM E				
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/804,693

**Applicant(s)**

BAKER ET AL.

**Examiner**

WILLIAM E. RANKINS

**Art Unit**

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 28 December 2007.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1, 3, 4, 8 and 25-27 is/are pending in the application.
- 4a) Of the above claim(s) 26 and 27 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1, 3, 4, 8 and 25 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_

- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

## **DETAILED ACTION**

### **Status of Claims**

Claims 1-9 and 25-27 are pending in this application. Claims 1, 4 and 8 have been amended. Claims 5-7 and 9 have been canceled. Claims 25-27 have been added. Claims 10-24 were previously withdrawn by election without traverse in the first action on the merits.

Newly submitted claims 26 and 27 are directed to an invention that is independent or distinct from the invention originally claimed for the following reasons: Each new claim is related as combination and subcombination with respect to the originally elected group.

Since applicant has received an action on the merits for the originally presented invention, this invention has been constructively elected by original presentation for prosecution on the merits. Accordingly, claims 26 and 27 are withdrawn from consideration as being directed to a non-elected invention. See 37 CFR 1.142(b) and MPEP § 821.03.

### ***Response to Arguments***

1. Applicant's arguments filed 01/11/2008 have been fully considered but they are not persuasive. The applicant asserts that the Penney et al. reference is not directed toward the interaction of two parties to a transaction via a clearinghouse. The Amey

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reference cures this deficiency. The applicant also argues that the Tupper et al. reference does not notify the second party to a transaction that a request to negate a trade has been made. The Arney reference also cures this deficiency. The limitations of the claims are met through the combination of references disclosed. Claims 3, 4 and 8 were argued on the merits of the arguments of claim 1 and are thus upheld with the rejection maintained for claim 1.

A review of the claims and updated search necessitated the rejections below.

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

1. Claims 1, 3, 4, 8 and 25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Penney et al. (2003/0069836) in view of Kuhn et al. (2004/0128223), OTC clearing and settlement, Holly Arney. Energy Markets. Houston: Dec 2002. Vol. 7, Iss. 12 and Tupper et al. (2003/0093362).

As per claim 1;

Penney et al. discloses:

A method for reversing a previously executed trade (Para. 0005), in which a buyer and a seller have executed the trade in a exchange or in an over-the-counter market, the method comprising:

storing data, in a memory, indicating that the executed trade has been accepted; in response to an electronic request from one of the buyer and the seller (Para. 0008 and 0180), retrieving the accepted-trade data from the memory (Para. 0101);

displaying the retrieved data to the one of the buyer and the seller on a one of said buyer's and said seller's interface (Para. 0008 and 0018);

receiving an input from the one of said buyer and said seller indicating that the acceptance of the executed trade should be negated (Para. 0008 and 0018);

in response to the acceptance of the request to negate, generating an offsetting transaction record for the buyer and an offsetting transaction record for the seller, in which the buyer's and seller's roles are reversed from what they were in the previously executed trade (Para. 0119); and

repeating the storing steps using the offsetting transaction records for the buyer and seller, thereby negating the acceptance of the originally executed trade (Para. 0015 and 0019).

Penney et al. does not disclose:

Reversing the clearance of a previously executed trade.

However, Kuhn et al. discloses:

A system and method for handling a trade between execution and settlement including trade cancellations (Para. 0067).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods of Penney et al. and Kuhn et al. One of ordinary skill in the art at the time of this invention would have been motivated to do so as each reference attempts to resolve or recognizes the same problem or need.

Penney also does not disclose:

in response to received input that trade should be negated, alerting the other of said buyer and said seller that a request to negate the acceptance of the executed trade has been received from one of said buyer and said seller;

receiving from the other of said buyer and said seller acceptance of the request to;

However, Arney discloses:

OTC clearing and settlement wherein the Futures Commission Merchant Model (FCM) acting on behalf of the clearinghouse, nullifies trades with the agreement of the two counterparts to the trade (Pg. 2, Para. 4).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods of Penney et al., Kuhn et al. and Arney et al. One of ordinary skill in the art at the time of this invention would have been motivated to do so in order to provide robust risk management procedures and to allow for real time execution of trade amendments.

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As per claim 3;

Penney et al. discloses:

The method of claim 1.

Penney does not disclose:

further comprising:

receiving a matched trade from an electronic exchange or over the counter market, wherein the matched trade represents the executed trade; and

accepting the matched trade.

However, Tupper et al. discloses:

An over the counter trade received from a system with a matching program (fig.1, component 18) by a trading firm (Fig. 1, component 30) and confirmed (paragraph 0039, 0040).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods and systems of Penney et al. and Tupper et al.

One of ordinary skill in the art would be motivated to do so in order to outsource services that others can perform and which increase efficiency and reduce expenditures.

As per claim 4;

Penney et al. discloses:

The method of claim 1.

Penney does not disclose:

wherein the displaying step comprises:

transmitting, to a remote computer, a graphical user interface comprising a plurality of rows and columns, wherein each row represents a particular trade that had been previously executed and accepted, and each column represents a piece of information concerning the particular trade.

However, Tupper et al. discloses:

A confirmation summary screen that is a user interface and represents a completed trade (paragraph 0019, Fig. 5).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods and systems of Penney et al. and Tupper et al.

One of ordinary skill in the art would be motivated to do so in order to provide efficient communication between the buyer and the seller when making trade amendments and to easily view previous or current trades.

As per claim 8;

Penney discloses:

The method of claim 1 and;

the method further comprising:

displaying a message to the second party on a display screen, wherein the message queries the second party regarding whether the second party agrees that the



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executed trade should not have been accepted; and

receiving an input from the second party that indicates that the second party agrees that the executed trade should not have been accepted (paragraph 0017, 0018).

Penney does not disclose:

wherein the buyer and the seller are participants in a clearinghouse, wherein there is a first party to the executed trade, who is one of the buyer and the seller, and there is a second party to the executed trade, who is on the opposing side of the first party, wherein the user represents the first party to the executed trade.

However, Tupper et al. discloses:

Trades sent to a third party clearinghouse for settlement (paragraph 0004).

The date the trade was first executed (Fig. 6B).

A record of the transaction (Fig. 6B).

Arney discloses:

OTC clearing and settlement wherein the Futures Commission Merchant Model (FCM) acting on behalf of the clearinghouse, nullifies trades with the agreement of the two counterparts to the trade (Pg. 2, Para. 4)

Therefore, it would have been obvious to one of ordinary skill in the art at the time of this invention to combine the methods and systems of Penney et al., Kuhn et al., Arney and Tupper et al.

One of ordinary skill in the art would be motivated to do so in order to promote the ability of the buyer and seller to negotiate amendments to previously executed

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trades prior to net settlement which would reduce the possibility of making another trade which may need to be negated once again.

As per claim 25;

Penney et al. discloses:

The method of claim 1, wherein the previously executed trade involved derivatives (Para. 0005).

***Conclusion***

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to William E. Rankins whose telephone number is 571-270-3465. The examiner can normally be reached on M-F 7:30 AM - 5:00 PM, off alt Fridays beg 6/15/07.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thomas Dixon can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/W. E. R./

Examiner, Art Unit 3696

03/21/2008

/Daniel S Felten/

Primary Examiner, Art Unit 3696